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October 17, 1997

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RECEIVED
OCT 17 1997
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

BY HAND DELIVERY

Mr. William Caton
Secretary
Federal Communications Commission
Room 222
Washington, D.C. 20554

Re: Notice of Ex Parte Presentation: Amendment of Commission's
Regulatory Policies to Allow Non-U.S.-Licensed Space Stations to
Provide Domestic and International Satellite Service in the United
States, IB Docket No. 96-111/ COMSAT Corporation Petition for
Forbearance and for Reclassification, File No. 60-SAT-ISP-97

Dear Mr. Caton:

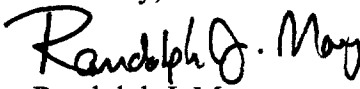
On October 16, 1997, the undersigned, representing ABC, Inc., CBS Inc., National Broadcasting Company, Inc., and Turner Broadcasting System, Inc., along with Mark Johnson and Brian Knoblock of CBS, Richard Tauber and Valerie Hartman-Levy of Turner, Charlene Vanlier of ABC, and Virginia Harris, Diane Zipursky, and Kenneth Fuller of NBC, met with Regina Keeney, Chief, International Bureau, and James Ball, Fern Jarmulnek, Ari Fitzgerald, and Daniel Connors of the International Bureau Staff to discuss the Networks position in the above-referenced proceedings. The attached hand-out, in addition to the pleadings filed by the Networks in these proceedings, covers the points discussed at the meeting.

Pursuant to Section 1.1206(b) of the Commission's rules, an original and four copies (two for each proceeding) are being filed with the Secretary. Please date stamp the "stamp and return" copy of the letter for return by the messenger.

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Mr. William Caton
October 17, 1997
Page 2

If you have any questions concerning this submission, please contact the undersigned.

Sincerely,

Randolph J. May

Enclosure

cc: Regina Keeney, International Bureau
James Ball, International Bureau
Fern Jarmulnek, International Bureau
Ari Fitzgerald, International Bureau
Daniel Connors, International Bureau

**POSITION OF
ABC, INC., CBS INC., NATIONAL BROADCASTING COMPANY, INC.
AND TURNER BROADCASTING SYSTEM INC.
CONCERNING INTERNATIONAL SATELLITE MATTERS**

BACKGROUND: The Networks rely almost exclusively on satellites for the origination and distribution of video programming materials. At this time, fiber optic cables do not constitute a meaningful competitive alternative to satellite technology for cost, connectivity and operational reasons. In light of INTELSAT's global coverage and connectivity, the Networks remain heavily reliant on INTELSAT satellites, and, therefore, for video service transmissions in or out of the United States, on COMSAT, the U.S. signatory with sole access to INTELSAT facilities. Particularly with regard to the provision of occasional use and short-term video services which are essential to broadcasters in covering international news and other special events which may arise anywhere around the world on short notice, the marketplace is not yet subject to effective competition. See the discussion in COMSAT Corporation, File No. 14-SAT-ISP-97, DA 97-1741, released August 14, 1997, at paras. 38-46, where the International Bureau concluded: "[W]e find that the occasional-use video services market is not substantially competitive...." Para. 38.

The above fundamental facts support the Networks' positions in the following proceedings:

A. DISCO II; IB Docket No. 96-111

- Apart from whatever the Commission may conclude more generally with respect to other communications services, in light of broadcasters' current lack of alternatives to satellite capacity and the immediacy of most of their program transmission requirements, the proposed ECO-Sat test should not be applied to non-U.S. satellites used for fixed service video transmissions. Broadcasters cannot provide coverage of fast-breaking news and special events on a timely basis if they first are required to compile the information necessary to satisfy the ECO-Sat test for a non-U.S.-satellite and wait for Commission approval of the application.
- Because broadcasters remain heavily dependent upon INTELSAT for the capability of originating video transmissions from all over the globe, often from unpredictable remote locations lacking feasible alternatives to INTELSAT, the ECO-Sat test should not apply to video transmissions using INTELSAT satellites.

- In order to stimulate additional competition, the Networks do not object to COMSAT/INTELSAT's entry into the domestic marketplace by provision of a limited amount of capacity.

**B. COMSAT Corporation Petition for Forbearance and for
Reclassification as a Non-Dominant Carrier; File No. 60-SAT-ISP-97**

- The Networks oppose COMSAT's petition for relief with regard to tariffs proposing rate increases or any service changes affecting occasional use and short-term services because those services are not yet subject to effective competition.
- Nothing has changed since the Commission's August 1997 determination that the occasional use and short-term services market is not competitive, so COMSAT's petition is redundant as far as these services are concerned. See paras. 38-46 of COMSAT Corporation, File No. 14-SAT-ISP-97, DA 97-1741, released August 14, 1997.
- If direct access to INTELSAT services were available to U.S. satellite users, then perhaps COMSAT would be in a different marketplace position.
- The Networks do not oppose COMSAT's request to eliminate the structural separation requirements imposed on COMSAT as long as the Commission continues to require COMSAT to "unbundle" in nondiscriminatory tariffs the rates, terms, and conditions of its INTELSAT space segment services from the rates, terms, and conditions of its earth station services.